

**Item 4. Submission of Matters to a Vote of Security Holders**

Not applicable.

**EXECUTIVE OFFICERS OF THE REGISTRANT**

Set forth below is certain information with respect to the Company's executive officers.

<u>Name</u>	<u>Age</u>	<u>Office</u>	<u>Held Since</u>
Raymond W. Smith .....	54	Chairman of the Board and Chief Executive Officer	1989
Anton J. Campanella .....	60	President	1989
Robert A. Levetown .....	56	Vice Chairman—Law and External Affairs	1991
William O. Albertini .....	48	Vice President and Chief Financial Officer	1991
Lawrence T. Babbio, Jr. ...	47	Chairman, President and Chief Executive Officer, Bell Atlantic Enterprises International, Inc.	1991
A. Gray Collins, Jr. ....	56	Executive Vice President—Corporate Relations	1991
Barbara L. Connor .....	41	Vice President—Treasurer	1992
Charles W. Crist .....	48	Vice President—Human Resources	1990
James G. Cullen .....	49	President and Chief Executive Officer, New Jersey Bell Telephone Company	1989
James H. Dickerson, Jr. ...	45	Vice President—Finance and Controller	1992
John F. Gamba .....	53	President, Bell Atlantic Network Services, Inc.	1992
John M. Kelleher .....	60	Vice President and Deputy General Counsel	1990
Mark J. Mathis .....	44	Vice President, Deputy General Counsel and Secretary	1991
William M. Newport .....	56	Vice President—Strategic Planning	1986
Robert M. Valentini .....	48	President and Chief Executive Officer, The Bell Telephone Company of Pennsylvania	1988

Each of the above officers has held high level managerial positions with the Company or one of its subsidiaries for at least five years.

Officers are not elected for a fixed term of office but are removable at the discretion of the Board of Directors.

**PART II****Item 5. Market for Registrant's Common Equity and Related Stockholder Matters**

The principal market for trading in the common stock of Bell Atlantic Corporation is the New York Stock Exchange. The common stock is also listed in the United States on the Boston, Midwest, Pacific and Philadelphia stock exchanges. As of December 31, 1991, there were 1,097,642 shareowners of record.

High and low stock prices, as reported on the New York Stock Exchange Composite Transactions, and dividend data are as follows:

	<u>Market Price</u>		<u>Cash Dividends Declared</u>
	<u>High</u>	<u>Low</u>	
1991: First Quarter .....	\$54 $\frac{1}{8}$	\$46 $\frac{3}{4}$	\$.63
Second Quarter .....	52 $\frac{3}{4}$	44 $\frac{1}{8}$	.63
Third Quarter .....	50 $\frac{5}{8}$	44 $\frac{7}{8}$	.63
Fourth Quarter .....	49 $\frac{1}{4}$	43	.63
1990: First Quarter .....	57 $\frac{1}{8}$	43	.59
Second Quarter .....	53 $\frac{3}{4}$	46 $\frac{1}{8}$	.59
Third Quarter .....	50 $\frac{3}{4}$	39 $\frac{1}{2}$	.59
Fourth Quarter .....	56 $\frac{1}{4}$	46	.59

**Item 6. Selected Financial Data**

The Selected Financial and Operating Data on page 6 of the Company's 1991 Annual Report to shareowners is incorporated herein by reference.

**Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations**

The Management's Discussion and Analysis of Results of Operations and Financial Condition on pages 7 through 12 of the Company's 1991 Annual Report to shareowners is incorporated herein by reference.

**Item 8. Financial Statements and Supplementary Data**

The Report of Independent Accountants, Consolidated Statements of Income, Consolidated Balance Sheets, Consolidated Statements of Cash Flows, and Notes to Consolidated Financial Statements on pages 14 through 26 of the Company's 1991 Annual Report to shareowners are incorporated herein by reference.

**Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

None.

**PART III**

**Item 10. Directors and Executive Officers of Registrant**

For information with respect to the executive officers of the Company, see "Executive Officers of the Registrant" at the end of Part I of this Report. For information with respect to the Directors of the Company, see "Election of Directors" on pages 1 through 7 of the Proxy Statement for the Company's 1992 Annual Meeting of Shareowners, which is incorporated herein by reference.

**Item 11. Executive Compensation**

For information with respect to executive compensation, see "Executive Compensation" on pages 11 through 16 of the Proxy Statement for the Company's 1992 Annual Meeting of Shareowners, which is incorporated herein by reference.

**Item 12. Security Ownership of Certain Beneficial Owners and Management**

For information with respect to the security ownership of the Directors and officers of the Company, see "Election of Directors" on pages 1 through 7 of the Proxy Statement for the Company's 1992 Annual Meeting of Shareowners, which is incorporated herein by reference.

**Item 13. Certain Relationships and Related Transactions**

For information with respect to certain relationships and related transactions, see "Election of Directors" on pages 1 through 7 of the Proxy Statement for the Company's 1992 Annual Meeting of Shareowners, which is incorporated herein by reference.

**PART IV**

**Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K**

(a) The following documents are filed as part of this report:

(1) Financial Statements

See Index to Financial Statements and Financial Statement Schedules appearing on Page F-1.

(2) Financial Statement Schedules

See Index to Financial Statements and Financial Statement Schedules appearing on Page F-1.

(3) Exhibits

Exhibits identified in parentheses below, on file with the Securities and Exchange Commission, are incorporated herein by reference as exhibits hereto.

**Exhibit Number (Referenced to  
Item 601 of Regulation S-K)**

- 3a Certificate of Incorporation of Bell Atlantic Corporation ("Bell Atlantic") dated October 7, 1983. (Exhibit 3a to Registration Statement No. 2-87842.)
- 3b Certificate of Amendment of Certificate of Incorporation of Bell Atlantic, dated May 9, 1986 and filed May 16, 1986. (Exhibit 3b to Form SE dated March 27, 1987.)
- 3c Certificate of Amendment of Certificate of Incorporation of Bell Atlantic dated May 6, 1987 and filed May 8, 1987. (Exhibit 3c to Form SE dated March 28, 1988.)
- 3d Certificate of Amendment of Certificate of Incorporation of Bell Atlantic dated May 10, 1990 and filed June 29, 1990. (Exhibit 3d to Form SE dated March 28, 1991.)
- 3e By-Laws of Bell Atlantic, as amended through March 24, 1992. (Exhibit 3e to Form SE dated March 26, 1992.)
- 4 No instrument which defines the rights of holders of long and intermediate term debt, of the Company and all of its consolidated subsidiaries, is filed herewith pursuant to Regulation S-K, Item 601(b)(4)(iii)(A). Pursuant to this regulation, Bell Atlantic hereby agrees to furnish a copy of any such instrument to the SEC upon request.
- 10a Agreement Concerning Contingent Liabilities, Tax Matters and Termination of Certain Agreements among AT&T, Bell Atlantic, the Network Services Companies, and certain other parties, dated as of November 1, 1983. (Exhibit 10h to Bell Atlantic Annual Report on Form 10-K for the year ended December 31, 1983, referred to hereafter as the "1983 Form 10-K.")
  - 10a(i) Agreement Concerning Allocation of Contingent Liabilities between AT&T and Bell Atlantic, dated as of January 28, 1985. (Exhibit 10h(i) to Form SE filed on March 28, 1985.)
- 10b Agreement among Bell Atlantic Network Services, Inc. (formerly named Bell Atlantic Management Services, Inc.) and the Network Services Companies, dated November 7, 1983. (Exhibit 10i to 1983 Form 10-K.)
- 10c Bell Atlantic Senior Management Short Term Incentive Plan as amended and restated effective as of January 1, 1992. (Exhibit 10c to Form SE dated March 26, 1992.)
- 10d Bell Atlantic Senior Management Long-Term Disability and Survivor Protection Plan, as amended. (Exhibit 10h to Form SE filed on March 27, 1986.)
  - 10d(i) Resolutions amending the Plan, effective as of January 1, 1989. (Exhibit 10d to Form SE dated March 29, 1989.)

**Exhibit Number (Referenced to  
Item 601 of Regulation S-K)**

- 10e Bell Atlantic Senior Management Transfer Program. (Exhibit 10ee to 1983 Form 10-K.)
- 10f Bell Atlantic Personal Financial Services Program for Senior and Executive Managers and Key Employees, effective as of July 1, 1990, as amended. (Exhibit 10f to Form SE dated March 28, 1991.)
- 10g Bell Atlantic Deferred Compensation Plan for Outside Directors, as amended and restated as of April 1, 1989. (Exhibit 10g to Form SE dated March 29, 1990.)
- 10h Bell Atlantic Insurance Plan for Directors. (Exhibit 10hh to Registration Statement No. 2-87842.)
- 10i Description of Bell Atlantic Plan for Non-Employee Directors' Travel Accident Insurance. (Exhibit 10ii to Registration Statement No. 2-87842.)
- 10j Article V from Bell Atlantic Management Pension Plan regarding limitations on payment of pension amounts which exceed the limitations contained in the Employee Retirement Income Security Act of 1974. (Exhibit 10j to Form SE dated March 26, 1992.)
- 10k Bell Atlantic Senior Management Retirement Income Plan, as amended and restated effective as of January 1, 1992. (Exhibit 10k to Form SE dated March 26, 1992.)
- 10l Bell Atlantic Senior Management Incentive Award Deferral Plan, as amended and restated effective as of January 1, 1991. (Exhibit 10l to Form SE dated March 28, 1991.)
- 10m Bell Atlantic Mid-Career Hire Program including Bell Atlantic Mid-Career Pension Plan. (Exhibit 10mm to Registration Statement No. 2-87842.)
  - 10m(i) Resolutions amending Mid-Career Pension Plan (Exhibit 10m to Form SE dated March 29, 1989.)
- 10n Bell Atlantic Stock Incentive Plan, consisting of (1) The Bell Atlantic 1985 Performance Share Plan as amended and restated effective as of January 1, 1992 and (2) The Bell Atlantic 1985 Incentive Stock Option Plan as amended and restated effective as of January 1, 1992. (Exhibit 10n to Form SE dated March 26, 1992.)
- 10o Bell Atlantic Retirement Plan for Outside Directors, as amended and restated as of April 1, 1989. (Exhibit 10o to Form SE dated March 29, 1990.)
- 10p Bell Atlantic Stock Compensation Plan for Outside Directors. (Exhibit 10p to Form SE dated March 26, 1992.)
- 10q Bell Atlantic Corporation Directors' Charitable Giving Program. (Exhibit 10q to Form SE dated March 29, 1990.)
- 11 Computation of Earnings Per Common Share.
- 12 Computation of Ratio of Earnings to Fixed Charges.
- 13 Annual Report to shareowners for the fiscal year ended December 31, 1991.  
Except for the portions of such annual report which are expressly incorporated herein by reference, such annual report is furnished for the information of the Securities and Exchange Commission and is not deemed to be "filed" as part of this report on Form 10-K.

**Exhibit Number (Referenced to  
Item 601 of Regulation S-K)**

- 22 List of subsidiaries of Bell Atlantic.
- 24 Consent of Coopers & Lybrand.
- 25 Powers of attorney. (Exhibit 25 to Form SE dated March 26, 1992.)
- 28a Annual report on Form 11-K for the Bell Atlantic Savings Plan for Salaried Employees for the year ended December 31, 1991. (To be filed by amendment.)
- 28b Annual report on Form 11-K for the Bell Atlantic Savings and Security Plan (Non-Salaried Employees) for the year ended December 31, 1991. (To be filed by amendment.)

Shareowners may request a copy of any of the exhibits to this Annual Report on Form 10-K by writing to the Corporate Secretary, Bell Atlantic Corporation, 1717 Arch Street, Philadelphia, Pennsylvania 19103.

(b) Reports on Form 8-K filed during the quarter ended December 31, 1991:

A Current Report on Form 8-K, dated October 3, 1991, was filed reporting on Item 5 (Other Events) that the Company was served with a class action complaint naming Metro Mobile CTS, Inc., its directors and the Company as defendants.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

### BELL ATLANTIC CORPORATION

By /s/ WILLIAM O. ALBERTINI  
William O. Albertini  
(Vice President and  
Chief Financial Officer)

March 26, 1992

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

Principal Executive Officer:  
Raymond W. Smith

Chairman and Chief  
Executive Officer

Principal Financial Officer:  
William O. Albertini

Vice President and  
Chief Financial  
Officer

Principal Accounting Officer:  
James H. Dickerson, Jr.

Vice President—  
Finance and  
Controller

#### Directors:

Thomas E. Bolger  
Anton J. Campanella  
Frank C. Carlucci  
William G. Copeland  
James H. Gilliam, Jr.  
Gerald T. Halpin  
Thomas H. Kean  
Robert A. Levetown  
John C. Marous, Jr.  
John F. Maypole  
Thomas H. O'Brien  
Rozanne L. Ridgway  
Raymond W. Smith  
Shirley Young

By /s/ WILLIAM O. ALBERTINI  
William O. Albertini  
(individually and as  
attorney-in-fact)  
March 26, 1992

# BELL ATLANTIC CORPORATION

## Index to Financial Statements and Financial Statement Schedules

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Schedule IX—Short-Term Borrowings— For the years ended December 31, 1991, 1990 and 1989 .....	F-10	—
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Schedules other than those listed above have been omitted because the required information is contained in the financial statements and the notes thereto, or because such schedules are not required or applicable.

## **REPORT OF INDEPENDENT ACCOUNTANTS**

To the Board of Directors and Shareowners of  
Bell Atlantic Corporation

Our report on the consolidated financial statements of Bell Atlantic Corporation and subsidiaries has been incorporated by reference in this Form 10-K from page 14 of the 1991 Annual Report to shareowners of Bell Atlantic Corporation and subsidiaries. In connection with our audits of such financial statements, we have also audited the related financial statement schedules listed in the index on page F-1 of this Form 10-K.

In our opinion, the financial statement schedules referred to above, when considered in relation to the basic financial statements taken as a whole, present fairly, in all material respects, the information required to be included therein.

COOPERS & LYBRAND

2400 Eleven Penn Center  
Philadelphia, Pennsylvania  
February 5, 1992



**BELL ATLANTIC CORPORATION AND SUBSIDIARIES**  
**SCHEDULE II—AMOUNTS RECEIVABLE FROM RELATED PARTIES AND**  
**UNDERWRITERS, PROMOTERS AND EMPLOYEES**  
**OTHER THAN RELATED PARTIES**  
**For the Years Ended December 31, 1991, 1990 and 1989**

(Dollars in Thousands)

Name of Debtor	Balance at Beginning of Period	Additions	Deductions			Balance at End of Period	
			Amounts Collected	Amounts Written Off	Other	Current	Noncurrent
Year 1991							
L. Kasarjian, Jr. (a)(b) .	\$1,058	\$ 77	\$ 304	\$—	\$ —	\$ 831	\$ —
T. Ryan (a)(c) . . . . .	1,058	77	304	—	—	831	—
O. Swanky (a)(d) . . . . .	2,468	180	708	—	—	1,940	—
Year 1990							
L. Kasarjian, Jr. (a) . . . .	1,104	116	162	—	—	1,058	—
R. Munzenrider (a)(e) . .	1,104	116	162	—	1,058	—	—
T. Ryan (a) . . . . .	1,104	116	162	—	—	1,058	—
O. Swanky (a) . . . . .	2,574	271	377	—	—	2,468	—
Year 1989							
L. Kasarjian, Jr. (a) . . . .	976	290	162	—	—	—	1,104
R. Munzenrider (a) . . . .	976	290	162	—	—	—	1,104
T. Ryan (a) . . . . .	976	290	162	—	—	—	1,104
P. Snyder (a)(e) . . . . .	976	290	162	—	1,104	—	—
O. Swanky (a) . . . . .	2,278	676	380	—	—	—	2,574
D. Lam (f) . . . . .	183	—	183	—	—	—	—
T. Vassiliades (g) . . . . .	1,672	118	1,790	—	—	—	—
R. Neagle (h) . . . . .	107	—	107	—	—	—	—

- (a) Loans made in connection with the 1986 acquisition of Greyhound Capital Corporation, used for the employee's purchase of venture capital assets from Greyhound Corporation and continued portfolio management.
- (b) In February 1992, the term of this loan was extended to February 28, 1995. A payment of \$225,085 was received in early 1992. The loan now bears interest at 7% per annum and is collateralized by certain securities, as well as by certain payments owed to the debtor by the Company.
- (c) In March 1992, the term of this loan was extended to February 28, 1995. A payment in the amount of \$225,000 is due on April 1, 1992. The loan now bears interest at 7% per annum and is collateralized by certain securities, as well as by certain payments owed to the debtor by the Company.
- (d) This loan was satisfied in full in early 1992.
- (e) Employment terminated during the year, loan reclassified to non-related party.
- (f) Unsecured demand note bearing interest at prime.
- (g) Unsecured loan bearing interest at 7.08% per annum and due on or before June 10, 1989.
- (h) Unsecured demand note, bearing interest at 9%.

**BELL ATLANTIC CORPORATION AND SUBSIDIARIES**  
**SCHEDULE V—CONSOLIDATED PLANT, PROPERTY AND EQUIPMENT**  
**For the Year Ended December 31, 1991**

(Dollars in Millions)

<u>Classification</u>	<u>Balance at Beginning of Period</u>	<u>Additions at Cost —Note (a)</u>	<u>Retire- ments —Note (b)</u>	<u>Other Changes</u>	<u>Balance at End of Period</u>
<b>Communications and Related Services:</b>					
<b>Network Services</b>					
Land .....	\$ 130.8	\$ 2.8	\$ —	\$ (.2)	\$ 133.4
Buildings .....	2,023.0	110.7	18.0	(.9)	2,114.8
Central Office Equipment .....	10,857.0	1,069.5	776.9	(1.8)	11,147.8
<b>Telephone Instruments and Related</b>					
Equipment .....	540.1	62.2	107.2	.7	495.8
Pole Lines .....	636.7	32.9	15.0	—	654.6
Cable and Wiring .....	10,909.9	588.1	281.3	(.4)	11,216.3
Conduit .....	1,731.9	101.2	5.9	—	1,827.2
Office Equipment and Furniture .....	1,600.8	249.8	131.8	2.9	1,721.7
Vehicles and Other Work Equipment .....	548.6	99.1	40.2	.2	607.7
<b>Capital Leases and Leasehold</b>					
Improvements .....	288.7	71.5	15.3	(.1)	344.8
<b>Total in Service (c) .....</b>	<b>29,267.5</b>	<b>2,387.8</b>	<b>1,391.6</b>	<b>.4</b>	<b>30,264.1</b>
Plant under Construction .....	448.0	(23.5)	1.2	(.1)	423.2
Other .....	17.9	5.1	1.2	(.1)	21.7
<b>Total Network Services Plant .....</b>	<b>29,733.4</b>	<b>2,369.4</b>	<b>1,394.0</b>	<b>.2</b>	<b>30,709.0</b>
Other Communications and Related Services ..	384.0	69.6	45.4	(6.9)	401.3
<b>Total Communications and Related</b>					
<b>Services .....</b>	<b>30,117.4</b>	<b>2,439.0</b>	<b>1,439.4</b>	<b>(6.7)</b>	<b>31,110.3</b>
<b>Financial and Real Estate Services:</b>					
Land .....	108.7	13.6	—	(27.2)	95.1
Buildings .....	358.2	79.0	—	—	437.2
Equipment .....	20.1	2.5	2.2	—	20.4
Other .....	56.0	42.4	.6	22.2	120.0
Construction-in-progress .....	123.1	17.6	75.8	—	64.9
<b>Total Financial and Real Estate Services ...</b>	<b>666.1</b>	<b>155.1</b>	<b>78.6</b>	<b>(5.0)</b>	<b>737.6</b>
<b>Total Plant, Property and Equipment ....</b>	<b>\$30,783.5</b>	<b>\$2,594.1</b>	<b>\$1,518.0</b>	<b>\$(11.7)</b>	<b>\$31,847.9</b>

The notes on Page F-7 are an integral part of this Schedule.

**BELL ATLANTIC CORPORATION AND SUBSIDIARIES**  
**SCHEDULE V—CONSOLIDATED PLANT, PROPERTY AND EQUIPMENT**  
**For the Year Ended December 31, 1990**  
(Dollars in Millions)

<u>Classification</u>	<u>Balance at Beginning of Period</u>	<u>Additions at Cost— Note (a)</u>	<u>Retire- ments— Note (b)</u>	<u>Other Changes</u>	<u>Balance at End of Period</u>
Communications and Related Services:					
Network Services					
Land.....	\$ 122.8	\$ 8.0	\$ —	\$ —	\$ 130.8
Buildings .....	1,905.5	135.2	17.7	—	2,023.0
Central Office Equipment .....	10,401.9	1,125.9	673.7	2.9	10,857.0
Telephone Instruments and Related Equipment .....	526.6	73.2	60.2	.5	540.1
Pole Lines .....	615.2	33.2	11.7	—	636.7
Cable and Wiring .....	10,455.2	605.2	153.5	3.0	10,909.9
Conduit .....	1,626.8	107.4	2.1	(.2)	1,731.9
Office Equipment and Furniture .....	1,467.0	292.5	151.0	(7.7)	1,600.8
Vehicles and Other Work Equipment .....	488.7	92.3	30.9	(1.5)	548.6
Capital Leases and Leasehold Improvements .....	274.7	29.0	13.0	(2.0)	288.7
Total in Service (c) .....	27,884.4	2,501.9	1,113.8	(5.0)	29,267.5
Plant under Construction .....	556.8	(108.0)	.2	(.6)	448.0
Other .....	17.7	.9	.3	(.4)	17.9
Total Network Services Plant .....	28,458.9	2,394.8	1,114.3	(6.0)	29,733.4
Other Communications and Related Services .....	298.1	106.8	17.3	(3.6)	384.0
Total Communications and Related Services .....	28,757.0	2,501.6	1,131.6	(9.6)	30,117.4
Financial and Real Estate Services:					
Land.....	47.9	60.5	—	.3	108.7
Buildings .....	217.8	141.0	—	(.6)	358.2
Equipment .....	20.3	3.3	2.1	(1.4)	20.1
Other .....	29.1	27.6	.5	(.2)	56.0
Construction-in-progress .....	240.1	(117.2)	—	.2	123.1
Total Financial and Real Estate Services ..	555.2	115.2	2.6	(1.7)	666.1
Total Plant, Property and Equipment ...	<u>\$29,312.2</u>	<u>\$2,616.8</u>	<u>\$1,134.2</u>	<u>\$(11.3)</u>	<u>\$30,783.5</u>

The notes on Page F-7 are an integral part of this Schedule.

**BELL ATLANTIC CORPORATION AND SUBSIDIARIES**  
**SCHEDULE V—CONSOLIDATED PLANT, PROPERTY AND EQUIPMENT**  
**For the Year Ended December 31, 1989**

(Dollars in Millions)

<u>Classification</u>	<u>Balance at Beginning of Period</u>	<u>Additions at Cost— Note (a)</u>	<u>Retire- ments— Note (b)</u>	<u>Other Changes</u>	<u>Balance at End of Period</u>
Communications and Related Services:					
Network Services					
Land .....	\$ 120.7	\$ 2.2	\$ .1	\$ —	\$ 122.8
Buildings .....	1,818.2	96.7	11.4	2.0	1,905.5
Central Office Equipment .....	9,852.2	1,132.3	600.0	17.4	10,401.9
Telephone Instruments and Related Equipment .....	489.4	69.3	27.9	(4.2)	526.6
Pole Lines .....	593.2	30.9	8.9	—	615.2
Cable and Wiring .....	10,003.2	553.4	101.3	(.1)	10,455.2
Conduit .....	1,527.5	103.8	4.5	—	1,626.8
Office Equipment and Furniture .....	1,339.6	223.8	96.5	.1	1,467.0
Vehicles and Other Work Equipment .....	444.2	66.0	21.5	—	488.7
Capital Leases and Leasehold Improvements .....	276.8	16.4	22.1	3.6	274.7
Total in Service (c) .....	26,465.0	2,294.8	894.2	18.8	27,884.4
Plant under Construction .....	472.2	88.9	.4	(3.9)	556.8
Other .....	12.0	1.1	.6	5.2	17.7
Total Network Services Plant .....	26,949.2	2,384.8	895.2	20.1	28,458.9
Other Communications and Related Services ..	232.5	75.0	7.4	(2.0)	298.1
Total Communications and Related Services .....	27,181.7	2,459.8	902.6	18.1	28,757.0
Financial and Real Estate Services:					
Land .....	26.7	21.8	.6	—	47.9
Buildings .....	154.1	63.8	—	(.1)	217.8
Equipment .....	17.1	4.9	2.9	1.2	20.3
Other .....	15.8	12.3	.2	1.2	29.1
Construction-in-progress .....	174.3	65.5	—	.3	240.1
Total Financial and Real Estate Services ...	388.0	168.3	3.7	2.6	555.2
Total Plant, Property and Equipment ....	<u>\$27,569.7</u>	<u>\$2,628.1</u>	<u>\$906.3</u>	<u>\$ 20.7</u>	<u>\$29,312.2</u>

The notes on Page F-7 are an integral part of this Schedule.

**BELL ATLANTIC CORPORATION AND SUBSIDIARIES**  
**NOTES TO SCHEDULE V—PLANT, PROPERTY AND EQUIPMENT**

- 
- (a) These additions include (1) the original cost (estimated if not specifically determinable) of reused material, which is concurrently credited to material and supplies, and (2) allowance for funds used during construction. Transfers between Plant in Service, Plant under Construction and Other are included in Additions at Cost.
  - (b) Items of plant, property and equipment are deducted from the property accounts when retired or sold at the amounts at which they are included therein, estimated if not specifically determinable.
  - (c) The telephone subsidiaries' provision for depreciation is based on the remaining life method and straight-line composite rates prescribed by regulatory authorities. The remaining life method provides for the full recovery of the remaining net investment in plant, property and equipment. During 1991, 1990 and 1989, the telephone subsidiaries implemented changes in depreciation rates approved by the regulators. These changes will more closely align the recovery of the Company's investment in plant, property and equipment with current estimates of its remaining economic useful life. For the years 1991, 1990 and 1989, depreciation expressed as a percentage of average depreciable plant was 6.4%, 7.0% and 7.1%, respectively.

# BELL ATLANTIC CORPORATION AND SUBSIDIARIES

## SCHEDULE VI—ACCUMULATED DEPRECIATION

For the Years Ended December 31, 1991, 1990 and 1989

• (Dollars in Millions)

<u>Classification</u>	<u>Balance at Beginning of Period</u>	<u>Additions Charged to Expenses</u>	<u>Retirements</u>	<u>Other Changes</u>	<u>Balance at End of Period</u>
Year 1991					
Communications and Related Services					
Network Services .....	\$11,154.7	\$1,917.7	\$1,412.5	\$ 4.4	\$11,664.3
Other Communications and Related Services .....	136.8	49.5	31.2	(2.4)	152.7
	11,291.5	1,967.2	1,443.7	2.0	11,817.0
Financial and Real Estate Services .....	44.9	18.7	2.6	8.1	69.1
	<u>\$11,336.4</u>	<u>\$1,985.9</u>	<u>\$1,446.3</u>	<u>\$10.1</u>	<u>\$11,886.1</u>
Year 1990					
Communications and Related Services					
Network Services .....	\$10,295.9	\$1,974.0	\$1,111.5	\$(3.7)	\$11,154.7
Other Communications and Related Services .....	109.3	42.8	12.0	(3.3)	136.8
	10,405.2	2,016.8	1,123.5	(7.0)	11,291.5
Financial and Real Estate Services .....	32.9	14.7	2.2	(.5)	44.9
	<u>\$10,438.1</u>	<u>\$2,031.5</u>	<u>\$1,125.7</u>	<u>\$(7.5)</u>	<u>\$11,336.4</u>
Year 1989					
Communications and Related Services					
Network Services .....	\$ 9,302.1	\$1,888.5	\$ 885.5	\$(9.2)	\$10,295.9
Other Communications and Related Services .....	74.0	42.2	6.3	(.6)	109.3
	9,376.1	1,930.7	891.8	(9.8)	10,405.2
Financial and Real Estate Services .....	19.7	11.7	2.4	3.9	32.9
	<u>\$ 9,395.8</u>	<u>\$1,942.4</u>	<u>\$ 894.2</u>	<u>\$(5.9)</u>	<u>\$10,438.1</u>

**BELL ATLANTIC CORPORATION AND SUBSIDIARIES**  
**SCHEDULE VIII—VALUATION AND QUALIFYING ACCOUNTS**  
**For the Years Ended December 31, 1991, 1990 and 1989**

(Dollars in Millions)

Description	Balance at Beginning of Period	Additions		Deductions —Note (b)	Balance at End of Period
		Charged to Expenses	Charged to Other Accounts —Note (a)		
Allowance for Uncollectible Accounts Receivable:					
Year 1991 .....	\$123.9	\$122.0	\$170.0	\$253.4	\$162.5
Year 1990 .....	\$104.7	\$150.8	\$ 90.3	\$221.9	\$123.9
Year 1989 .....	\$ 95.9	\$ 91.5	\$ 70.9	\$153.6	\$104.7
Allowance for Uncollectible Finance Lease Receivables:					
Year 1991 .....	\$ 37.0	\$ 29.9	\$ 4.7	\$ 25.3	\$ 46.3
Year 1990 .....	\$ 35.1	\$ 19.5	\$ .1	\$ 17.7	\$ 37.0
Year 1989 .....	\$ 28.2	\$ 22.4	\$ .8	\$ 16.3	\$ 35.1
Allowance for Obsolete Inventory:					
Year 1991 .....	\$ 15.1	\$ 20.1	\$ 3.9	\$ 7.3	\$ 31.8
Year 1990 .....	\$ 32.0	\$ 3.8	\$ —	\$ 20.7	\$ 15.1
Year 1989 .....	\$ 12.7	\$ 33.7	\$ .6	\$ 15.0	\$ 32.0
Other Allowances (c):					
Year 1991 .....	\$ 29.3	\$ 41.9	\$ .9	\$ 26.7	\$ 45.4
Year 1990 .....	\$ 20.2	\$ 19.2	\$ 1.1	\$ 11.2	\$ 29.3
Year 1989 .....	\$ 11.4	\$ 10.6	\$ 2.9	\$ 4.7	\$ 20.2

- (a) In 1990 and 1989, amounts include beginning balances for businesses acquired during the year. Allowance for Uncollectible Accounts Receivable includes (1) amounts previously written off which were credited directly to this account when recovered, and (2) accruals charged to accounts payable for anticipated uncollectible charges on purchases of accounts receivable from others which were billed by the Company.
- (b) Amounts written off as uncollectible or obsolete.
- (c) Other Allowances include allowances for obsolete equipment and allowances for probable losses incurred in the directory businesses arising in the normal course of operations.

# BELL ATLANTIC CORPORATION AND SUBSIDIARIES

## SCHEDULE IX—SHORT-TERM BORROWINGS

For the Years Ended December 31, 1991, 1990 and 1989

(Dollars in Millions)

Category of Aggregate Short-Term Borrowings	Balance at End of Period	Weighted Average Interest Rate	Maximum Amount Outstanding During the Period	Average Amount Outstanding During the Period (a)	Weighted Average Interest Rate During the Period (b)
Year 1991					
Bank loans .....	\$ 304.1	5.4%	\$ 658.9	\$ 537.9	6.4%
Commercial paper ...	817.2	5.0%	1,771.9	1,267.4	6.2%
Other notes (c) .....	—	—	97.7	16.6	13.3%
				<u>\$1,821.9</u>	
Year 1990					
Bank loans .....	\$ 506.8	8.5%	\$ 895.3	\$ 777.2	8.1%
Commercial paper ...	1,098.7	8.1%	1,205.7	823.0	8.2%
Other notes (c) .....	187.2	14.5%	474.1	104.8	14.4%
				<u>\$1,705.0</u>	
Year 1989					
Bank loans .....	\$ 525.9	9.1%	\$ 679.6	\$ 449.9	9.5%
Commercial paper ...	613.1	8.9%	763.7	570.8	9.4%
Other notes .....	—	—	.4	—	—
				<u>\$1,020.7</u>	

(a) Represents average daily face amount.

(b) Computed by dividing aggregate interest expense by average daily face amount.

(c) Includes both domestic and international borrowings.



**BELL ATLANTIC CORPORATION AND SUBSIDIARIES**  
**SCHEDULE X—SUPPLEMENTARY INCOME STATEMENT INFORMATION**  
**For the Years Ended December 31, 1991, 1990 and 1989**

(Dollars in Millions)

<u>Item</u>	<u>Charged to Costs and Expenses</u>
Year 1991	
Maintenance and repairs .....	\$1,791.1
Taxes other than payroll and income taxes:	
Gross receipts .....	\$ 228.2
Property .....	231.0
Capital stock .....	62.6
Other .....	23.0
	<u>\$ 544.8</u>
Advertising .....	<u>\$ 178.7</u>
Year 1990	
Maintenance and repairs .....	\$1,767.5
Taxes other than payroll and income taxes:	
Gross receipts .....	\$ 212.3
Property .....	222.1
Capital stock .....	43.7
Other .....	19.0
	<u>\$ 497.1</u>
Advertising .....	<u>\$ 137.9</u>
Year 1989	
Maintenance and repairs .....	\$1,718.4
Taxes other than payroll and income taxes:	
Gross receipts .....	\$ 204.2
Property .....	215.8
Capital stock .....	40.4
Other .....	22.5
	<u>\$ 482.9</u>
Amortization of intangible assets .....	<u>\$ 238.4</u>

Amounts for royalties in 1991, 1990 and 1989, for advertising in 1989, and for amortization of intangible assets in 1991 and 1990, are not presented as such amounts are less than 1% of total operating revenues.

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934  
For the fiscal year ended December 31, 1991

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934  
For the transition period from        to

Commission file number 1-6393

**THE BELL TELEPHONE COMPANY OF PENNSYLVANIA**

Incorporated under the laws of the State of Pennsylvania

I.R.S. Employer Identification Number 23-0397860

One Parkway, Philadelphia PA 19102

Registrant's telephone Number 215 466-9900

Securities registered pursuant to Section 12(b) of the Act: See attached Schedule A.

Securities registered pursuant to Section 12(g) of the Act: None.

THE REGISTRANT, A WHOLLY-OWNED SUBSIDIARY OF BELL ATLANTIC CORPORATION, MEETS THE CONDITIONS SET FORTH IN GENERAL INSTRUCTION J(1) (a) AND (b) OF FORM 10-K AND IS THEREFORE FILING THIS FORM WITH REDUCED DISCLOSURE FORMAT PURSUANT TO GENERAL INSTRUCTION J(2).

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

THE BELL TELEPHONE COMPANY OF PENNSYLVANIA  
SCHEDULE A

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Name of each exchange on which registered</u>
Thirty-six Year 8-5/8% Debentures, due July 1, 2006	New York Stock Exchange
Forty Year 7-1/8% Debentures, due January 1, 2012	"
Forty Year 7-1/2% Debentures, due May 1, 2013	"
Forty Year 9-5/8% Debentures, due July 15, 2014	"
Forty Year 8-3/4% Debentures, due July 15, 2015	"
Forty Year 8-1/8% Debentures, due May 15, 2017	"
Forty Year 9-1/4% Debentures, due January 15, 2019	"

THE BELL TELEPHONE COMPANY OF PENNSYLVANIA  
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UNLESS OTHERWISE INDICATED, ALL INFORMATION IS AS OF MARCH 23, 1992.

PART I

**Item 1. Business**

**THE COMPANY**

The Bell Telephone Company of Pennsylvania (the Company) is incorporated under the laws of the Commonwealth of Pennsylvania and has its principal offices at One Parkway, Philadelphia, Pennsylvania 19102 (telephone number 215-466-9900). The Company is a wholly-owned subsidiary of Bell Atlantic Corporation (Bell Atlantic).

The Company presently serves a territory consisting of 5 Local Access and Transport Areas (LATAs). These LATAs are generally centered on a city or other identifiable community of interest, and each LATA marks the boundary within which the Company may provide telephone service.

The Company provides two basic types of telecommunications services. First, the Company transports telecommunications traffic between subscribers located within the same LATA (intraLATA service), including both local and toll services. The Company also earns interLATA toll revenue from the provision of telecommunications service between LATAs (interLATA service) in a corridor between the cities (and certain surrounding counties) of Philadelphia, Pennsylvania and Camden, New Jersey. Second, the Company provides exchange access service, which links a subscriber's telephone or other equipment to the transmission facilities of interexchange carriers which, in turn, provide interLATA service. The Company also provides exchange access service to interexchange carriers which provide intrastate intraLATA long distance telecommunications service (see "Line of Business Restrictions" and "Competition - IntraLATA Competition").

**OPERATIONS**

The Company's lines of business comprise Local Service, Network Access, Toll Service, and Directory, Billing and Other Services. Local Service includes the provision of local exchange ("dial tone"), local private line and public telephone services including services for both Company-owned and customer-provided coin telephones. Among other services provided in this category are Centrex (central office-based switched telephone service enabling the subscriber to make both intercom and outside calls) and a variety of special and custom calling services. Network Access is the provision to interexchange carriers and local exchange carriers of access to the local exchange network for switched transmissions, and provision to subscribers (including end-users) of dedicated private lines for voice and data transmissions. Toll service includes message toll services (MTS) (calling service beyond the local calling area) within LATA boundaries, and intraLATA Wide Area Toll Service (WATS)/800 services (volume discount offerings for customers with highly concentrated demand). Directory, Billing and Other Services includes directory publishing (both Yellow Pages and White Pages), billing and collection services for interexchange carriers, mobile cellular carriers, information service providers, and others; and customer premises services such as inside wire installation and maintenance. The Company also provides various operator services. As stated under "The Company" above, the Company also offers certain interLATA telecommunications services in a corridor between the cities (and certain surrounding counties) of Philadelphia, Pennsylvania and Camden, New Jersey.

## The Bell Telephone Company of Pennsylvania

The Company provides billing and collection services, including recording, rating, bill processing and bill rendering, for interexchange carriers. The largest purchaser of billing and collection services is American Telephone and Telegraph Company (AT&T). During the last several years, however, AT&T ceased its purchase of interstate WATS and private line billing and of billing inquiry services from the Company, as well as its purchase of MTS billing for a small percentage of its total customer base. By October 1991, AT&T had also ceased its purchase of rating and most recording services from the Company. The Company also provides billing and collection services for MCI Communications Corporation (MCI), US Sprint Communications Company and others carriers.

The Company has been making and expects to continue to make significant construction expenditures (capital expenditures plus allowance for funds used during construction) to meet the demand for communications services and to further improve such services. The total investment in plant, property and equipment increased from \$8,117.6 million at December 31, 1989 to \$8,413.8 million at December 31, 1990, and to \$8,664.1 million at December 31, 1991, in each case after giving effect to retirements, but before deducting accumulated depreciation at such date. Construction expenditures of the Company were \$629 million in 1990 and \$631 million in 1991 (see Item 2 - "Properties" for a summary by component of such expenditures).

The Company is projecting construction expenditures of approximately \$660 million for 1992. Most of the funds required to finance the construction program are expected to be generated internally; however, some external financing may be necessary or desirable.

### LINE OF BUSINESS RESTRICTIONS

Prior to January 1, 1984, the Company was an associated company of the Bell System and was a wholly-owned subsidiary of AT&T. Pursuant to a court-approved divestiture (Divestiture), AT&T transferred those assets of the Bell System operating companies (BOCs), including the Company, that related to exchange telecommunications, exchange access functions and printed directory advertising to seven newly formed regional holding companies (RHCs), including Bell Atlantic.

The consent decree (Consent Decree) and the plan of reorganization (Plan), which set forth the terms of Divestiture, contained certain provisions relating to the post-Divestiture activities of the RHCs. The Consent Decree's principal restrictions on post-Divestiture activities of the RHCs included prohibitions on providing interexchange telecommunications or information services, engaging in the manufacture of telecommunications equipment and customer premises equipment (CPE)\*, or entering into any non-telecommunications businesses without Court approval. The United States District Court for the District of Columbia (Court) has retained jurisdiction over the construction, modification, implementation and enforcement of the Consent Decree.

\* Customer premises equipment includes telephone sets and private branch exchanges (PBXs) used by a customer on the customer's premises to originate, route or receive telecommunications.

On September 10, 1987, the Court issued an opinion eliminating the prohibition on entering into any non-telecommunications businesses. However, the Court refused to eliminate the restrictions relating to manufacturing or providing interexchange services. With respect to information services, the Court issued an opinion on March 7, 1988 which permitted the RHCs to engage in a number of information transport functions, as well as voice storage and retrieval services, including voice messaging and electronic mail offerings and certain information gateway services. The RHCs were generally prohibited, however, from providing the content of the data they transmit. As the result of an appeal by Bell Atlantic, the other RHCs and other parties of the Court's September 10, 1987 decision, the Court of Appeals has ordered the Court to reconsider the RHCs' request to provide information content under a standard more favorable to the RHCs. On July 25, 1991, the Court granted that request, but imposed a stay pending appeal of that decision. On October 7, 1991, the Court of Appeals vacated the stay, permitting the RHCs to provide information services.

### **FCC REGULATION AND INTERSTATE RATES**

The Company is subject to the jurisdiction of the Federal Communications Commission (FCC) with respect to interstate services and certain related matters. The FCC prescribes a uniform system of accounts for telephone companies, interstate depreciation rates, and the principles and standard procedures used to separate plant investment, expenses, taxes and reserves between those applicable to interstate services under the jurisdiction of the FCC and those applicable to intrastate services under the jurisdiction of the Pennsylvania Public Utility Commission (PUC) (see "State Regulation and Intrastate Rates"). The FCC also prescribes procedures for allocating costs and revenues between regulated and unregulated activities and affiliates.

#### **Interstate Access Charges**

The Company provides intraLATA service but, with limited exception, does not participate in the provision of interLATA service except through offerings of exchange access service. The FCC has prescribed structures for exchange access tariffs to specify the charges (Access Charges) for use of the Company's facilities used or available for the origination and termination of interstate interLATA service. These charges are intended to recover the related costs of the Company which have been allocated to the interstate jurisdiction (Interstate Costs) under the FCC's separations procedures.

In general, the tariff structures prescribed by the FCC provide that Interstate Costs of the Company which do not vary based on usage (non-traffic sensitive costs) are recovered from subscribers through flat monthly charges (Subscriber Line Charges), and from interexchange carriers through usage sensitive Carrier Common Line (CCL) charges (see "FCC Access Charge Pooling Arrangements"). Traffic-sensitive Interstate Costs are recovered from interexchange carriers through variable access charges based on several factors, primarily usage.

In May 1984, the FCC authorized the implementation of Access Charge tariffs for "switched access service" (access to the local exchange network) and of Subscriber Line Charges for multiple-line business customers (up to \$6.00 per month per line). In June 1985, the FCC authorized Subscriber Line Charges for residential and single-line business customers at the rate of \$1.00 per month per line, which increased to \$2.00 effective June 1, 1986, to \$2.60 effective July 1, 1987, to \$3.20 effective December 1, 1988, and to \$3.50 on April 1, 1989. The Company is currently charging \$3.50 for residential and single-line business customers, and \$3.71 for multiple-line business customers.

As a result of the phasing in of Subscriber Line Charges, a substantial portion of non-traffic sensitive Interstate Costs are now recovered directly from subscribers, thereby reducing the per minute OCL charges to interexchange carriers. The significant reduction in OCL charges has tended to reduce the incentive to interexchange carriers and their high-volume customers to bypass the Company's switched network via special access lines or alternative communications systems (see "Competition - Bypass").

#### FCC Access Charge Pooling Arrangements

The FCC previously required that all local exchange carriers (LECs), including the Company, pool revenues from OCL and Subscriber Line Charges which cover Interstate Costs associated with the lines from subscribers' premises to telephone company central offices, i.e., the non-traffic sensitive costs of the local exchange network. To administer such pooling arrangements, the FCC mandated the formation of the National Exchange Carrier Association, Inc. (NECA).

Some LECs received more revenue from the pool than they billed their interexchange carrier customers using the nationwide average OCL rate. Other companies, including the Company, received substantially less from the pool than the amount billed to their interexchange carrier customers.

By an Order adopted in 1987, the FCC changed its mandatory pooling requirements. These changes, which were effective April 1, 1989, permitted the Company to withdraw from the pool and charge OCL rates which more closely reflect its non-traffic sensitive costs. The Company is still obligated to make contributions of OCL revenues to companies which choose to continue to pool non-traffic sensitive costs so that pooling companies can charge a OCL rate no greater than the nationwide average OCL rate. In addition to this continuing obligation, the Company has a transitional support obligation to high cost companies who left the pool in 1989 and 1990. This transitional support obligation phases out over five years. These long-term and transitional support requirements are recovered in the Company's OCL rates.



### Depreciation

Depreciation rates provide for the recovery of the Company's investment in telephone plant, and are revised periodically to reflect more current estimates of remaining service lives and future net salvage. In January 1988, the FCC issued an Order requiring LECs, such as the Company, to amortize certain interstate depreciation reserve deficiencies over a five-year period, retroactive to January 1, 1987. In August 1991, the FCC ordered the Company to amortize the remaining balance of the reserve deficiencies over the period from July 1991 to June 30, 1992.

The Company filed a petition on December 23, 1991, with the FCC, requesting changes in depreciable lives of certain classes of plant. The FCC issued a counter proposal which further decreased plant lives. The Company accepted the counter proposal. The effect of the FCC award will increase 1992 interstate annual depreciation expense approximately \$30.0 million.

### Interstate Access Rate of Return

Pursuant to rules it adopted in 1985 and 1986, the FCC prescribes the rate of return on the interstate access services of LECs, such as the Company. The FCC has set an 11.25 percent return for 1991 and beyond. This rate of return serves as a benchmark for regulation of the Company under price cap regulation (see "Price Caps").

The FCC had also adopted rate of return enforcement rules, which required carriers to target their rates to produce the prescribed return and to refund automatically earnings in excess of their allowable return (the prescribed target return plus an increment of 25 basis points on overall earnings or 40 basis points on each of three categories of service). On January 22, 1988, the United States Court of Appeals for the District of Columbia Circuit held that the FCC's automatic refund rule was arbitrary and capricious, and remanded the case to the FCC so that it could, if it wished, promulgate a new refund rule. The FCC subsequently stayed indefinitely any requirement that carriers refund excess earnings for the initial enforcement period (October 1985 through December 1986), during which time the prescribed rate of return was 12.75%. The FCC has taken no action to revise its enforcement rules. The FCC has, however, permitted access customers to file complaints for damages in which the damages are calculated in accordance with the FCC's automatic refund methodology. Appeals of the FCC's rulings permitting such complaints to be filed were dismissed as premature. The Company has settled the major complaints.

Under FCC-approved tariffs, all of the Bell Atlantic telephone companies are charging uniform rates for interstate access services (with the exception of Subscriber Line Charges) in all Bell Atlantic jurisdictions, and are regarded as a single unit by the FCC for rate of return measurement.